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FCC TAKES FURTHER STEPS TO ENSURE COMPLIANCE WITH RULES PROTECTING LIFELINE PROGRAM AGAINST WASTE, FRAUD AND ABUSE

Washington, D.C. – The FCC took further steps today to ensure that providers participating in the <u>Lifeline</u> program follow rules that protect the program against waste, fraud and abuse. Lifeline provides a discount on phone service for eligible low-income consumers.

"The FCC adopted tough, comprehensive reforms last year to combat waste, fraud and abuse in the Lifeline program," said Acting Chairwoman Mignon Clyburn. "These reforms saved over \$200 million in the first year alone, and are on track to save \$2 billion by the end of 2014. We take any abuse of our rules seriously – and are acting aggressively to enforce them in order to preserve this program for the less fortunate among us who rely on Lifeline to reach emergency services, jobs and loved ones."

In an Enforcement Advisory, the Enforcement Bureau reminded providers that they are responsible for the conduct of their agents or representatives marketing the service. The Bureau is concerned that some providers are not taking steps to make certain that their agents follow Lifeline rules, and is investigating possible misconduct on the part of these providers as well as their agents. The Advisory also reminds providers that it is unlawful to sell or transfer Lifeline service to anyone else.

In addition, the Wireline Competition Bureau emphasized that providers must verify eligibility of a new subscriber before initiating service. Despite the directives provided in the <u>Lifeline Reform Order</u>, some ETCs may be activating phones for consumers prior to fully verifying their eligibility.

Last week, Commission staff, along with representatives from the Universal Service Administrative Company (USAC), hosted a webinar that drew 600 participants to share information about the <u>National Lifeline Accountability Database</u> (NLAD). Along with the database vendor, Commission staff and USAC representatives explained that the NLAD would be operational by year end and what steps would be followed to meet this goal. Establishment of the NLAD will ensure permanent detection and prevention of multiple Lifeline subscriptions in a household.

Link to Enforcement Advisory: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-1435A1.pdf
Link to Order: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-1441A1.pdf